B&B Hotels Carbon Disclosure

An annual carbon footprint assessment enabling continuous improvement

B&B Hotels calculates its carbon footprint annually according to the GHG Protocol. The GHG Protocol is an **international standard** that provides companies with a framework to measure, manage, and reduce their greenhouse gas emissions (GHG) by categorizing them into three scopes: scope 1 (direct emissions), scope 2 (indirect emissions related to energy use), and scope 3 (other indirect emissions in the value chain) *(See glossary below).*

Below are the details of the emission items considered for calculating the carbon footprint of B&B Hotels. The scope of calculation includes all our own hotels, managed hotels, and franchised hotels in all countries where we operate (17 countries as of December 31, 2024) and our headquarters (6 as of December 31, 2024).

As mentioned in the table, construction and customers travel are not calculated as authorised by the GHG Protocol and considered by our lessors.

Details of emission sources considered and reasons for exclusions (1/2)

Scope (1,2,3)	Emission categories	In	Out	Reason for exclusion
1	Direct emission	• Gas consumption of Hotels • Refrigerant leaks of cooling system • Gasoline & diesel consumption		
2	Indirect emissions related to energy use	Electricity and district heating consumption of hotels and offices		
3	1. Purchased goods & services	• Breakfasts • Laundry • Amenities (soap/shampoo…) • Services purchased by offices (marketing, OTA …) and hotels (maintenance, gardening…) • B&B Shop purchases		
	2. Capital Goods	Supplies for acquisitions, refurbishments and equipment renewals (room furniture, TV, IT…) for hotels and offices	Building construction and parking lots	Building construction and parking lots are accounted **for lessors**
	3. Fuel and energy related activities	Upstream emissions related to the production of energy used for our hotels and offices		
	4. Upstream transportation & distribution	*Irrelevant for B&B*	Laundry & breakfast supplies	Applicable **for logistic activities** with goods transformation in the upstream part of the value chain
	5. Waste generated in operations	Hotels	Offices	Insignificant share of emissions for offices and data to be collected
	6. Business travel	by our employees to our hotels and offices		

Details of emission sources considered and reasons for exclusions (2/2)

Scope (1,2,3)	Emission categories	In	Out	Reason for exclusion
3	7. Employee commuting	by our employees to our hotels and offices		
	Customers travel		Customer travel	B&B Hotels are not the final destination – **exclusion authorized by the GHG Protocol**
	8. Upstream leased assets	*Irrelevant for B&B*	Upstream leased assets	Emission item accounted **for our lessors**
	9. Downstream transportation and distribution	*Irrelevant for B&B*	Downstream transportation and distribution	Applicable **for logistic activities** with goods transformation to the customers (e.g.: e-commerce)
	10. Processing of sold products		Processing, use and end of life of sold products via our B&B Shops	Sales from B&B Shops represents **less than 1%** of emissions (**exclusion approved by SBTi** and accounted in scope 3 - 1. Purchased goods & services)
	11. Use of sold products			
	12. End-of-life treatment of sold products			
	13. Downstream leased assets	*Irrelevant for B&B*	Downstream leased assets	Emission item accounted **for our lessors**
	14. Franchises	Energy consumptions of franchise hotels		
	15. Investments	*Irrelevant for B&B*	Investments	Emission item accounted **for investors and companies providing financial services**

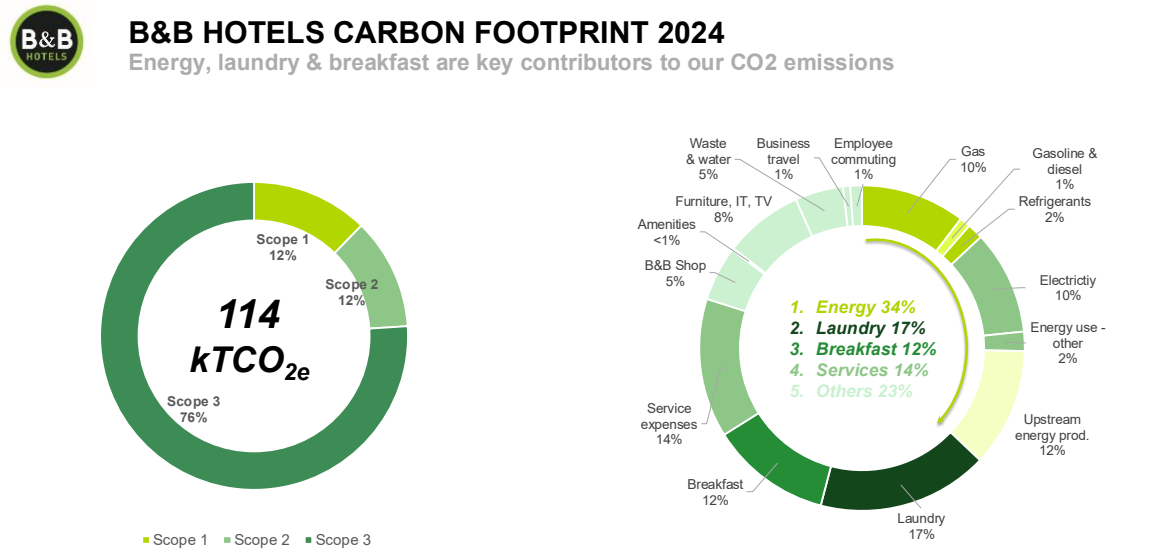
Carbon accounting is a relatively recent discipline, unlike financial accounting, which has existed for several centuries. Uncertainty is an inherent dimension of greenhouse gas (GHG) emissions calculations, resulting from challenges related to input data used and emission factors:

- The input data used are sometimes missing, so estimates must be made. To track this uncertainty, we calculate the percentage of actual data vs. estimated data by emission source and country.
- Emission factors, which convert activity data into CO2 emissions, are themselves subject to variations depending on the sources and countries. To ensure the accuracy of our calculations, we rely on emission factors from internationally recognized sources.

Consequently, B&B Hotels recalculates every year all its emissions and refines its calculation methods to enhance the precision and accuracy of the carbon footprint. The results are published in the company's CSR report every year.

In 2024, the group's carbon footprint represents in approximation 114 ktons of CO2eq., with:

- 24% from scope 1 & 2: These emissions are linked to our energy consumption for heating, lighting, and cooling our hotels and offices and refrigerant leaks of cooling system. These emissions are linked to our energy consumption, over which we exercise operational control, enabling us to effectively reduce them.
- 76% from scope 3: These emissions are due to purchased goods and services, especially breakfast and laundry, capital goods (FF&E) and fuel-and energy related activities. These emissions are tied to our upstream and downstream value chain. We must work with our main suppliers for laundry or breakfast and raise awareness among our customers to reduce these emissions.



Comparison of our carbon performance with peers

The Cornell Hotel Sustainability Benchmark Index (CHSB) is an international reference tool that allows hotels to compare their sustainability performance using data from similar establishments worldwide. The 2023 Cornell Hotel Sustainability Benchmark Index included data from 25,576 hotels across 31 hotel groups globally. This benchmark only considers **emissions related to energy consumption and laundry services** (laundry services are sometimes handled internally or outsourced and represent a significant emission source, it is more relevant to include them for an accurate comparison of hotels' carbon footprints).

We are proud to have one of the lowest carbon footprints in our industry (based on the CHSB benchmark for "limited-service hotels" category: 2-3-star hotels without restaurant). On a per-night basis, at Group level we reach 2.6 kg CO2 per room sold (scope 1, 2, and laundry).

Comparison of our carbon performance by country with peers

We are proud to have one of the lowest carbon footprints in our industry

	B&B Hotels CO_2 intensity per room sold *(scope 1&2 + laundry in 2024)*	Hotel limited services *(CHSB Benchmark*)*
France	2,16 kg CO_2	6,22 kg CO_2
Germany	2,21 kg CO_2	11,48 kg CO_2
Italy	3,36 kg CO_2	12,98 kg CO2
Spain	3,06 kg CO_2	10,26 kg CO_2
Belgium	1,20 kg CO_2	10,61 kg CO_2
Netherlands	3,06 kg CO_2	13,04 kg CO_2
Poland	3,06 kg CO_2	22,78 kg CO_2
Switzerland	1,62 kg CO_2	Data not available
Austria	3,29 kg CO_2	Data not available
Czech	3,06 kg CO_2	Data not available
Denmark	3,06 kg CO_2	Data not available
Hungary	3,06 kg CO_2	Data not available
Slovenia	3,06 kg CO_2	Data not available

**Cornell Hotel Sustainability Benchmark Index (CHSB – 2024 for "limited-service hotels" category: 2-3-star hotels without restaurant)*

Our naturally frugal business model, focused on essential services, minimizes overconsumption and use of carbon intensive services. We are determined to remain leaders in the transition toward low-carbon hospitality by continuing to reduce our carbon footprint.

B&B Hotels' Commitments to Reducing Greenhouse Gas Emissions

Aware of its environmental impact, **B&B Hotels has taken strong steps to reduce greenhouse gas emissions through the Science Based Targets initiative (SBTi).** This international initiative, supported by the United Nations, enables companies to set ambitious, scientifically validated targets to combat climate change. With this commitment, B&B Hotels joins other key players in tourism and real estate, such as Covivio and Accor, in working towards shared climate goals.

The SBTi validated in November 2024 our 2030 climate targets *(from a 2019 base year)*:

- A 50% reduction in our scope 1 & 2 emissions due to energy use for heating, lighting, and cooling - *aligned with a 1.5°C trajectory.*
- A 27% reduction in scope 3 emissions covering purchased goods and services, especially breakfast and laundry, capital goods (FF&E) and fuel-and energy related activities - *aligned with a 2°C trajectory.*

This validation of our objectives by the SBTi strengthen our corporate strategy and address the growing expectations of our stakeholders. Our commitment to low-carbon hospitality is a guarantee of resilience and competitiveness for our company.

GLOSSARY

1. Weather:

Weather refers to atmospheric conditions observed over a **short period**, such as temperature, rainfall, or wind on a specific day. It is an instantaneous and local measure of the weather. Weather can vary significantly from one day to the next.

2. Climate:

Climate represents the average weather conditions observed over a **long period** (typically 30 years or more) in a given region. Unlike weather, climate reflects long-term trends, such as milder winters or hotter summers.

3. Climate Change:

Climate change refers to **long-term alterations in average climate patterns, driven by human activities** such as burning fossil fuels, which increase the concentration of greenhouse gases in the atmosphere.

4. Greenhouse Effect:

The greenhouse effect is a **natural phenomenon** where certain gases, known as greenhouse gases, trap heat in the atmosphere, maintaining an average temperature on Earth suitable for life. **However, increased emissions of these gases enhance this effect**, **contributing to global warming.**

5. Greenhouse Gas Emissions:

This term considers all gases responsible for the greenhouse effect. The main gases considered are:

- **CO_2 (Carbon dioxide):** Released from the combustion of fossil fuels.
- **CH_4 (Methane):** Emitted from agricultural activities and landfills.
- **N_2O (Nitrous oxide):** Originating from agricultural fertilisers.
- **HFCs/PFCs (Hydrofluorocarbons / Perfluorocarbons):** Used in refrigerants and aerosols. They have a huge Global Warming Potential (GWP) even if they are in small quantities, making them major contributors to climate change

Each gas has a different heating potential, meaning its ability to trap heat in the atmosphere. CO_2 is the most abundant greenhouse gas and serves as a reference with a global warming potential of 1 (GWP). In comparison, other gases have a higher GWP, contributing more significantly to climate change. This is the case for Methane (CH_4 - about 25 times greater than CO_2) and especially for Hydrofluorocarbons and Perfluorocarbons (HFC/PFC - from hundreds to thousands of times that of CO_2).

6. Principle of Carbon Footprint Calculation:

A carbon footprint **measures all greenhouse gas emissions, both direct and indirect, generated by an organization over a specified period** (usually one year). This includes emissions from raw material production to the use of products by consumers. The result is **expressed in tons of CO_2 equivalent** (but accounts for all greenhouse gases) and is **split by scope** (1,2 and 3)

7. Scope 1:

Scope 1 includes all **direct greenhouse gas emissions** from sources owned or controlled by a company. This includes for example the combustion of fossil fuels for heating (e.g: for gas) or fuel combustion for company-owned vehicles.

8. Scope 2:

Scope 2 are **indirect emissions associated with the energy purchased** by a company. These emissions result from the production of electricity, steam, heating, or cooling purchased and consumed by the company.

9. Scope 3:

Scope 3 includes **all other indirect emissions occurring in a company's value chain**, including those related to purchasing goods and services, employee travel, and product end-of-life. For hotels, this includes: laundry services, breakfast purchases, supplies and equipment, Business travel & employee commuting, waste treatment. We didn't consider the building construction as it is accounted for lessors, and customer travel as B&B Hotels are not the final destination and it is allowed by GHG Protocol. Takeovers always emits less C02 than new constructions.

10. Emission Factor:

An emission factor is a value that allows converting an activity data (like annual energy consumption expressed in kWh/year) into an amount of CO_2 equivalent emissions. These **emission factors differ from country to country.** For example, in France, the emission factor for electricity is lower than in Germany because the French energy mix relies on nuclear power, a low-carbon source.

11. GHG Protocol:

The GHG Protocol is an **international standard** that provides companies with a framework to measure, manage, and reduce their greenhouse gas emissions (GHG) by categorizing them into three scopes: scope 1 (direct emissions), scope 2 (indirect emissions related to energy use), and scope 3 (other indirect emissions in the value chain). For more information, please visit the GHG Protocol website.

12. ADEME Carbon Footprint:

The Carbon Footprint is a method developed by ADEME (the French Agency for Ecological Transition) to help companies assess their greenhouse gas emissions. This tool identifies the main sources of emissions and potential reduction paths. It is currently only applicable in **France** and differs slightly from the GHG Protocol in some calculation rules (e.g., depreciation of assets). For more information, please visit the Bilan GES – Ademe website.

13. Paris Agreement:

The Paris Agreement is a legally binding **international treaty on climate change**. It was adopted by 196 Parties at the **UN Climate Change Conference (COP21) in Paris**, France, on 12 December 2015. It entered into force on 4 November 2016. Its overarching goal is to **hold "the increase in the global average temperature to well below 2°C** above pre-industrial levels" **and pursue efforts "to limit the temperature increase to 1.5°C** above pre-industrial levels.

14. Science Based Targets initiative (SBTi):

The Science Based Targets initiative (SBTi) is a **globally recognized international initiative that helps businesses set greenhouse gas (GHG) reduction targets in line with the goals of the Paris Agreement**. Supported by organizations such as the United Nations and the World Resources Institute, this initiative scientifically validates corporate commitments to ensure their alignment with climate warming trajectories of 1.5°C or 2°C.

15. The Cornell Hotel Sustainability Benchmark Index (CHSB):

The Cornell Hotel Sustainability Benchmark Index (CHSB) is an **international reference tool that allows hotels to compare their sustainability performance** using data from similar establishments worldwide. For more information, please visit the CHSB Index website.